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RICE

PROGRAM FOR 1950

ARKANSAS

LOUISIANA

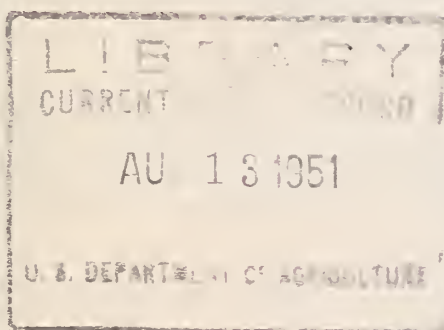
MISSISSIPPI

MISSOURI

SOUTH CAROLINA

PRICE SUPPORTS

ACREAGE ALLOTMENTS



HERE
are the
FACTS

PRODUCTION AND MARKETING ADMINISTRATION
United States Department of Agriculture

WHAT THIS IS ABOUT

Acreage allotments for rice are being used in 1950 as a guide to help you and your fellow rice producers cooperatively adjust production to requirements. As effective operation of the Federal price-support program depends on maintaining a practical balance between supplies and requirements, compliance with acreage allotments is a condition of eligibility for price support of 1950-crop rice.

It has not been necessary to proclaim marketing quotas for the 1950 rice crop. Whether or not marketing quotas will be required after 1950 will depend largely on how well you and other rice growers cooperate with the 1950 acreage-allotment program.

The following information will help you decide how much rice to plant this year.

YOUR ACREAGE ALLOTMENT FOR 1950

1. If rice was planted on your farm in one or more of the 5 years, 1945-49, the law provides for establishing an acreage allotment for your farm for 1950.
2. "Rice acreage," for purposes of the program, means the actual acreage planted to rice on your farm, regardless of eventual disposition of the crop.
3. The allotment for your farm was set by the county Production and Marketing Administration (PMA) committee on the basis of the past production of rice on your farm, taking into consideration the following:
 - (a) Abnormal conditions affecting acreage,
 - (b) Land, labor, and equipment available for the production of rice,
 - (c) Crop-rotation practices,
 - (d) The soil and other physical factors affecting the production of rice on your farm,

- (e) The relation between the "usual" rice acreage for the county and the number of acres in the county allotment available for distribution to eligible farms.

4. If rice was not planted on your farm in any one of the 5 years, 1945-49, but you filed a request for a 1950 acreage allotment prior to the closing date for receiving such requests, an allotment may be established by the county PMA committee if it finds that the facts justify the allotment, and if other necessary requirements are met.
5. Any acreage planted to rice in 1950 in excess of the farm acreage allotment cannot, under the law, be taken into account in establishing State, county, or farm acreage allotments in future years.
6. If, after receiving notice of your farm acreage allotment, you have reason to believe that it has not been properly determined and can offer facts to substantiate your claim, you may file a request with your county PMA committee for reconsideration. Such request must be filed within 15 days after the notice of allotment was mailed to you. Provision is also made for appeal of the county committee decision to the State PMA committee, and from the State committee to the Director, Grain Branch, Production and Marketing Administration, if necessary.

PRICE SUPPORT FOR THE 1950 CROP

1. As acreage allotments are being used in 1950, the mandatory level of price support is 90 percent of the August 1, 1950, parity price.
2. The methods of price support will be announced prior to planting time. It is expected that, as in the past, nonrecourse loans and purchase agreements will be used.
3. You will need to have adequate storage available to take full advantage of loan and purchase-agreement programs. To help finance the construction or purchase of new on-the-farm storage facilities that meet specifications of the Commodity Credit Corporation, loans at 4 percent

interest, repayable in five yearly installments can be arranged through your county PMA committee.

PRICE-SUPPORT ELIGIBILITY DEPENDS ON COOPERATION WITH ALLOTMENT PROGRAM

1. IF YOU HAVE AN INTEREST IN THE RICE CROP ON ONLY ONE FARM--

You will be eligible for price support on all or any part of your 1950-crop rice if the acreage planted to rice on your farm does not exceed the farm acreage allotment.

You will not be entitled to price support on any of your 1950-crop rice if the acreage planted to rice on your farm is in excess of the farm acreage allotment.

2. IF YOU HAVE AN INTEREST IN THE RICE CROP OF TWO OR MORE FARMS--

You will be eligible for price support on all or any part of your 1950-crop rice if the acreage planted to rice on each farm does not exceed the farm acreage allotment.

But if the acreage planted to rice exceeds the farm acreage allotment on one or more of your farms, you will not be eligible for price support on the rice produced on such farms, and may not be eligible for price support on any of your 1950-crop rice. See your county PMA committee for further details.

3. Cooperation with acreage-allotment or marketing-quota programs for other agricultural commodities will not be a condition of eligibility for price support for 1950-crop rice.

THE RICE "SITUATION" FOR 1950

The total supply of rice for the marketing year which began last August 1--estimated at nearly 95 million bushels--is an all-time record. It includes the record 1949 crop of approximately 89.5 million bushels, a carry-over of nearly 5.5 million bushels from the 1948 crop, and estimated imports for the current marketing year of 100 thousand bushels.

Rice production in the United States has increased steadily since the beginning of the war. Average production in the 1937-41 pre-war period was only about 53 million bushels. This expansion in production without the accumulation of surpluses was possible only because the volume of exports was increasing proportionately. Yearly domestic consumption of rice is virtually the same as it was before the war despite the fact that population has increased by more than 16 million people.

The trend toward increased exports was initiated and sustained during the war years by heavy wartime requirements for food. The upward trend has continued since the war, but has been supported largely by ECA and other United States export programs. It is estimated that exports will reach a record 34 million bushels this year, but will decline somewhat during the marketing year beginning next August 1.

Per capita consumption of rice for table use in the United States has actually decreased in the last few years. The slight increase in total domestic disappearance since prewar years is due to an increase in brewers' use of rice. Shipments of rice to United States territories have remained practically unchanged at about 10 million bushels annually, and about 4 million bushels are required each year for seed.

As the current level of production is nearly double the yearly domestic requirements, there is no need for large carry-overs to assure consumers a stable supply of rice. The indicated carry-over on August 1, 1950, of 12,718,000 bushels--an all-time high--must therefore be considered excessive at current levels of production and requirements. With the trend in production still upward, burdensome surpluses are in sight unless producers take steps to adjust production to requirements. The accumulation of such surpluses would become a serious threat to the effective operation of Federal price-support programs.

HOW THE NATIONAL ACREAGE ALLOTMENT WAS SET

The national acreage allotment for 1950 is based on the amount of rice from the 1950 crop necessary to assure a "normal supply" for the marketing year beginning August 1,

1950. The "normal supply" for the 1950-51 marketing year, determined as provided by law, is 86,957,000 bushels. This includes estimated domestic consumption of 48,300,000 bushels, estimated exports of 30,752,000 bushels, and an allowance for carry-over of 10 percent of these quantities.

From the "normal supply" was deducted the estimated carry-over on August 1, 1950, of 12,718,000 bushels. This leaves a balance of 74,239,000 bushels--the amount of rice from the 1950 crop needed to produce a "normal supply" for the next marketing year. This figure was divided by the 5-year--1945-49--national average yield of 46.6 bushels per planted acre to arrive at the 1950 national acreage allotment of 1,593,112 acres.

The national acreage allotment was apportioned by the Secretary of Agriculture among rice-producing States on the basis of the average acreage of rice in each State during the 5-year period, 1945-49, with adjustments for trends in acreage during the period.

ABOUT MARKETING QUOTAS

When the total supply of rice exceeds the "normal supply" for the marketing year by more than 10 percent, the Secretary of Agriculture is required to proclaim marketing quotas for the next crop. Marketing quotas are used to promote orderly marketing under conditions of supply that might otherwise disrupt the market.

With "normal supply" for the current marketing year estimated at 87,230,000 bushels, a marketing quota proclamation for the 1950 crop would have been required only if the total supply had exceeded 95,953,000 bushels (normal supply plus 10 percent). As the total supply of 94,970,000 bushels does not exceed that figure, no marketing quota proclamation was necessary.

SEE YOUR COUNTY PMA COMMITTEE

If you have additional questions about acreage allotments, price supports, storage facility loans, or any other phases of the program, your county Production and Marketing Administration (PMA) committee will be glad to answer them for you.

Washington, D. C.

January 1950

